



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, JULY 17, 2009 MEETING MINUTES

MEMBERS PRESENT:

Dennis Yates, AQMD Governing Board Member, LGSBA Chairman
Greg Adams, L.A. County Sanitation District
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California/All Metals
Eric Busch, Representative, South Bay Cities Council of Governments
Todd Campbell, Clean Energy
Daniel Cunningham, Metal Finishing Association
Jacob Haik, Office of School Board Member Richard Vladovic
Maria Elena Kennedy, Kennedy Communications
Angelo Logan, East Yard Communities for EJ
Art Montez, AMA International
Steve Mugg, South Orange County Representative, City of Mission Viejo

MEMBERS ABSENT:

Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman
Felipe Aguirre, Vice Mayor, City of Maywood
James R. Krausz, Esq., ALA Inland Counties
Kelly Moulton, Paralegal
Todd Priest, Representative, Orange County Business Council

OTHERS PRESENT:

Earl Elrod, Board Member Assistant (*Yates*)
Nicole Nishimura, Board Member Assistant (*Lyou*)

AQMD STAFF:

Naveen Berry, Planning and Rules Manager
Alan Caldwell, Community Relations Manager
Rizaldy Calungcagin, Air Quality Specialist
Philip Crabbe III, Community Relations Manager
Deanna Doerr, Office Assistant
Anupom Ganguli, Ph.D., Assistant Deputy Executive Officer/Public Advisor
Lori Langrell, Secretary
Andrew Lee, Program Supervisor
Laki Tisopulos, Assistant Deputy Executive Officer
Greg Ushijima, AQ Engineer II

Agenda Item #1 - Call to Order/Opening Remarks

Chair Dennis Yates called the meeting to order at 10:02 a.m.

Agenda Item #2 – Approval of June 12, 2009 Meeting Minutes/Review of Follow-Up/Action Items

Chair Yates called for approval of the meeting minutes.

The June 12, 2009 meeting minutes were approved.

Action Item: Mr. Brian Yeh will attach the policy memorandum regarding Permit to Construct to the minutes of the June 12, 2009 meeting.

Completed as requested.

Action Item: Ms. Jill Whynot will attach the description of the hydrocarbon solvent to the minutes of the June 12, 2009 meeting.

Completed as requested.

Agenda Item #3 – Proposed Amendments to Rule 1145 – Plastic, Rubber, Leather and Glass Coatings

Mr. Andrew Lee gave an overview of the proposed Amendments to Rule 1145 – Plastic, Rubber, Leather, and Glass Coatings.

Chair Yates asked if suitable alternatives for low VOC coating have been found. Mr. Lee replied that staff has been working with a company since February 2008 to try to locate a low VOC coating by performing numerous tests, but none were suitable. Chair Yates asked if a variance will be extended until staff is able to identify a low VOC coating. Mr. Lee replied that staff's recommendation will be to create a new coatings category for the niche facility resulting in an emissions increase of approximately 2.1 pounds per day. He added that the company produces refrigerated glass doors found in grocery stores. The glass doors consist of 3 panes of glass that require coatings along the edges for the purpose of covering the imperfections during the machining process, and to promote adhesion between the glass panes. The coatings would be fitted between the glass panes to form an air-tight seal to prevent air from leaking in between the glass which causes fogging.

Mr. Paul Avila asked if the existing coating is inadequate. Mr. Lee stated that the low VOC coatings that were tested confirmed that the coatings cracked and the seals broke, requiring replacement. Mr. Lee indicated that there is only one company within the South Coast AQMD's jurisdiction that produces these doors and if these coatings were not available, these doors would not be manufactured within the South Coast region.

Mr. Daniel Cunningham asked if the company is under a variance or is being allowed to continue to operate. Mr. Lee replied the company is currently under a 2 year variance, which will expire on December 31, 2009. He added that if the regulation is not changed to include the new coatings category, then the facility would be out of compliance.

Mr. Avila asked how long the variance would continue if a sealant could not be made, or the technology did not exist, or it was not cost effective to implement, and a niche company could not fix it. Mr. Lee replied it is a decision that the Hearing Board would make and that he cannot state what they would allow.

Mr. Angelo Logan asked where the facility is located. Mr. Naveen Berry replied that the facility was in Sun Valley. Mr. Lee repeated this answer to ensure that it was heard by the Advisory Group members.

Agenda Item #4 –Proposed Amendments to Rule 102 – Definitions of Terms

Mr. Rizaldy Calungcagin provided an overview of the proposed Amendments to Rule 102 – Definitions of Terms, including the addition of 3 new compounds to the list of VOC exempt solvents.

Mr. Geoff Blake indicated that they are currently using acetone in their spray booths to clean equipment, which is an exempt solvent, and asked if the use of dimethyl carbonate will be an issue with AQMD or CARB. Mr. Calungcagin replied that once it becomes an exempt solvent under Rule 102, it will be treated like acetone and there will be no issues.

Mr. Todd Campbell asked, referencing slide 4, if ozone depleting compound (ODC) and ozone depleting potential (ODP) were interchangeable. Mr. Calungcagin replied that ODP is different than ODC.

Mr. Campbell asked what it means to have a low global warming potential (GWP) if the numbers are unknown and asked if it might mean 10 percent lower, 20 percent lower, etc. Mr. Calungcagin responded that the GWP was based on input relating to the amounts of greenhouse gas emissions. Mr. Naveen Berry added that a certain level of GWP is expected to be lowered with the use of methyl formate. He added that the levels have not been estimated for dimethyl carbonate or propylene carbonate because the amount of reductions and market penetration are unknown. Mr. Berry concluded that these compounds are both classified as low ODC and low GWP chemicals.

Mr. Campbell asked if there were any concerns with moving forward with these compounds without knowing the exact numbers. Mr. Berry replied that staff does not know how much penetration will occur in the marketplace, what VOC reductions will take place, and what greenhouse gas reductions will take place. He added that GWP is very low, so if there can be significant market penetration, we will see significant reductions in greenhouse gas emissions, as well as ODC; however, if it does not make significant penetration, then it will not occur. Mr. Campbell then asked if these products resulted in greater market penetration than initially thought, would the outcome be beneficial. Mr. Berry replied it will be beneficial both in terms of global warming, as well as VOC reductions.

Mr. Eric Busch asked what the difference in cost is between methyl formate and butane for a blowing agent. Mr. Berry replied that overall costs are fairly comparable, and requests have come in from suppliers and end-users to have methyl formate be exempted because the costs are

very comparable. Mr. Busch asked if the other two compounds were also comparable. Mr. Berry replied that propylene carbonate is a niche product and small quantities are used, and that we do not have a clear picture on what the pricing structure may be.

Mr. Greg Adams asked if there is any impact on existing permitting. Mr. Berry replied that it depends on what the operations are at a facility. Mr. Adams asked to confirm if at least 2 of the compounds were highly water-soluble. Mr. Berry replied that dimethyl carbonate has solubility both in water and solvent-based formulation. Mr. Adams commented that this is an issue for the waste-water people, and there is also concern because of cross-media impacts.

Mr. Avila asked if the chemical companies provide raw products to AQMD for analysis. Mr. Berry replied that AQMD does not take raw materials and analyze them because those materials are already analyzed by the U.S. EPA. He added that when a product is exempted by the U.S. EPA, AQMD becomes involved to study where it may be used, and whether any adverse impacts exist.

Mr. Adams asked how these compounds are expressed for Title V permitting purposes. Mr. Berry replied he will get more information and get back to Mr. Adams.

***Action Item:** Mr. Berry to research information regarding how compounds are expressed for Title V permitting purposes, and provide the information to Mr. Adams.*

Agenda Item #5 – Update on the American Clean Energy and Security Act of 2009 (Waxman-Markey Bill)

Mr. Philip Crabbe presented an update on the American Clean Energy and Security Act of 2009, the Waxman-Markey bill.

Mr. Art Montez requested a list of the key committees that the bill has gone through, and where it is going. Mr. Montez commented that GPS mapping should be used to look at the imbalances of the air quality within geographic areas to show their impacts. Dr. Anupom Ganguli responded that the bill is a moving target; therefore, whatever is provided will be out of date. He further indicated that certain links to the House and to the Senate, which can be provided by staff, can be used to follow the process. In regards to identifying impacted areas, Dr. Ganguli referred to the U.S. EPA's efforts on this topic.

***Action Item:** Provide to Advisory Group members web links to the House and Senate for bill tracking and progress.*

Mr. Angelo Logan asked if the District would provide its recommended changes to the bill. Dr. Ganguli agreed to the request. Mr. Philip Crabbe commented that the AQMD's policy recommendations include, but are not limited to, the following: allowing a state cap and trade program to operate in coordination with a federal program; ensuring that EJ communities would receive additional protection; eliminating the use of offsets; including more specific requirements in terms of nonroad vehicles and limiting their greenhouse gas emissions; and encouraging that early actions to reduce greenhouse gas emissions be recognized. Mr. Crabbe

added that there are approximately 23 policy recommendations by AQMD regarding the Waxman-Markey bill.

Mr. Campbell requested the policy recommendations to be emailed to the Advisory Group members in preparation for the next meeting. He also asked if provisions could lead to future consideration of lower carbon fuels. Mr. Crabbe stated that the fuel standard was no longer in the bill and this seemed to be a result of the negotiations to get the bill through the House.

Action Item: *Email to Advisory Group members the SCAQMD Board Approved Policy Recommendations regarding the Waxman-Markey bill.*

Mr. Campbell asked if the on-road or off-road heavy duty rules would mainly be about efficiency, such as less wind resistance, fast rolling tires, etc., which reduces greenhouse gases, or if this (bill) actually involves fuel type or engine type. Dr. Ganguli indicated that various standards were proposed to Senator Barbara Boxer. He also added that this is not the final version of the bill and it may evolve.

Agenda Item #6 – Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 – Update on Climate Change Activities (Written Report)

Ms. Whynot provided a written report update on climate change activities.

Agenda Item #8 - Other Business

Dr. Ganguli pointed out two conferences that the AQMD is going to host.

Mr. Busch asked for a brief update on the status of the priority reserve credit issue. Dr. Ganguli replied that the status can be discussed in the next meeting.

Action Item: *Place the priority reserve credit issue on the September Agenda for a status update to the Advisory Group*

Agenda Item #9 - Public Comment

No comments.

Agenda Item #10 - Adjournment

The meeting adjourned at 11:24 a.m.